

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA (Pittsburgh)**

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| IN RE: HIGHLAND PROPERTY, LLC, Debtor. | Case Number: 23-22032-CMB Chapter 11 |
| UNITED STATES TRUSTEE, Movant, v. HIGHLAND PROPERTY, LLC, Respondent. | <u>Hearing Date & Time:</u> April 11, 2024 at 1:30 p.m. <u>Response Deadline:</u> March 25, 2024 |

STATUS REPORT OF THE UNITED STATES TRUSTEE

Andrew R. Vara, United States Trustee for Regions 3 and 9 (the “United States Trustee”), through his undersigned counsel, files this status report (“Status Report”) in response following the April 12, 2024 hearing on the Motion to Dismiss or Convert Debtor’s chapter 11 case pursuant to 11 U.S.C. § 1112(b) (the “Motion”). In support of this Status Report, the United States Trustee states as follows:

1. On March 8, 2024, the United States Trustee filed the Motion, asserting that cause exists to dismiss or convert this case under 11 U.S.C. § 1112(b)(4)(C) for failure to maintain insurance that poses a risk of loss to the estate, 11 U.S.C. § 1112(b)(4)(J) for failure to produce documents reasonably requested by the United States Trustee, and 11 U.S.C. § 1112(b)(4)(F) for failure to timely file monthly operating reports (“MOR”).

2. Prior to the hearing on the Motion, the Debtor filed its January 2024 (ECF No. 75) and February 2024 (ECF No. 76) MORs.

3. The Debtor also filed a document titled “proof of insurance” purporting to provide evidence of insurance for estate assets. *See* ECF No. 77.

4. Following the hearing on the Motion, the Court directed the Debtor to submit proof of real estate insurance for each estate asset. *See* ECF No. 79.

5. As of this Status Report, the Debtor has provided proof of insurance for estate assets, however, the United States Trustee has not received proof that payment was accepted for ten estate assets.¹

6. Additionally, as reflected in the February 2024 MOR, the Debtor had \$213.77 in cash on hand at the end of the month. *See* ECF No. 76, p. 2 of 16. It is unclear whether the Debtor made payments to obtain insurance, or whether a third-party tendered the payments on the Debtor’s behalf. To the extent a third-party made the payments to obtain insurance, it is unclear who made the payment and whether the payment is treated as a loan or a gift.

¹ According to Debtor’s counsel, payment for the following ten assets is in process: (1) 121 Luella Avenue Charleroi, PA 15022; (2) 123 Luella Avenue Charleroi, PA 15022; (3) 213 Shady Avenue Charleroi, PA 15022; (4) 600 8th Street Charleroi, PA 15022; (5) 125 McKean Avenue, Charleroi, PA 15022; (6) 915 Prospect Avenue, Charleroi, PA 15022; (7) 912 Lookout Avenue (Prospect Avenue) Charleroi, PA 15022; (8) 1013 Upper Meadow Avenue Charleroi, PA 15022; (9) 633 Washington Avenue, Charleroi, PA 15022; and (10) 510 Washington Avenue, Charleroi, PA 15022.

7. Absent sufficient responses to the unresolved matters referenced above, the issues referenced in the United States Trustee's Motion remain.

8. The United States Trustee reserves all his rights and remedies.

Dated: April 19, 2024

Respectfully Submitted,
ANDREW R. VARA
UNITED STATES TRUSTEE
REGIONS 3 & 9

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